

EXHIBIT II

CERTIFIED TRANSLATION

COMMONWEALTH OF PUERTO RICO
DEPARTAMENT OF AGRICULTURE
OFFICE FOR THE REGULATION OF THE DAIRY INDUSTRY
PO BOX 10163
SAN JUAN, PUERTO RICO 00908-1163

ADMINISTRATIVE ORDER NO. 2021-18

**RE: PRICES FOR FRESH AND UHT MILK AT ALL LEVELS, EFFECTIVE ON
JUNE 10, 2021**

Introduction

Act No. 34, enacted on June 11, 1957, as amended, 5 L.P.R.A. 1092 (hereinafter, "Act No. 34"), authorizes the Office for the Regulation of the Dairy Industry (hereinafter, "ORIL", Spanish acronym), through its Administrator, to investigate, oversee, and regulate all production levels of milk and milk byproducts in Puerto Rico. This authority extends from the initial phase of agricultural production to the subsequent phases of processing, sterilization, manufacturing, storage, transportation, distribution, and sale to the general public as fresh milk, as well as any raw milk to be processed and sold for producing any other dairy product of any kind, type, or nature, including ultra-pasteurized aseptic milk (hereinafter, "UHT").

Furthermore, pursuant to the provisions of Act No. 209, enacted on December 14, 2007 (hereinafter, "Act No. 209"), the ORIL has the authority to establish minimum, maximum, or set prices for the sale of milk, including milk surplus and byproducts, for all channels and levels of production, distribution, and sale.

Pursuant to the provisions of Act No. 34, *supra*, la ORIL is required, among other things, to: i) develop and maintain satisfactory market conditions to protect all levels of production, distribution, and sale of milk and milk byproducts; ii) draft the necessary plans for the disposal of milk surplus in order to protect the entire dairy industry in Puerto Rico, and iii) prevent monopolizing and unfair competition practices, as well as discrimination in the different industrial phases, from the production to the sale of all milk products and byproducts to consumers.



CERTIFIED TRANSLATION

To determine the regulation parameters, the ORIL is required to take into consideration the needs and interests of the different sectors of the dairy industry, as well as the needs and interests of consumers. Therefore, any measure that the ORIL may adopt must provide stability to the industry and stimulate the development of the production of milk and its byproducts, while protecting the rights of consumers to obtain an essential product at the lowest cost possible.

To set the minimum and maximum prices for each milk quart, the ORIL is required to establish fair and reasonable prices. To this end, the ORIL will consider the production costs of the different sectors, as well as reasonable proceeds, to guarantee and ensure an adequate fluid milk market, without negatively affecting the milk production sources, the milk supply and demand, or consumers. To this end, the ORIL is required to consider all cost factors related to the production, processing, sterilization, distribution, and sale of milk and its byproducts. Likewise, the ORIL will take into consideration the supply and demand of the main milk product and milk byproducts, the purchasing power of the community according to the income and general business activity indexes, and other market conditions and economic factors that may affect the supply, demand, or the value of milk or its byproducts.

On May 26, 2021, the undersigned Administrator issued "Resolution and Order Regarding Milk Prices at All Levels in the Commonwealth of Puerto Rico" ("Resolution and Order Regarding Milk Prices"), concluding the administrative process of milk pricing at all levels, summarized above, which started on or about May 29, 2019 for processors and on or about May 2, 2018 for producers. Pursuant to the determinations of the Resolution and Order Regarding Milk Prices, the following is hereby ordered:

Pricing Distribution

Pursuant to the relevant legal provisions of Act No. 34 and Act No. 209, *supra*, and considering the terms and conditions of the agreement reached on October 29, 2013, the following pricing structure for fluid milk at all levels will become effective on June 10, 2021:



CERTIFIED TRANSLATION

a) Minimum price per quart of Fresh Milk at the consumer level.	\$1.638
b) Maximum price per quart of Fresh Milk at the consumer level.	\$1.727
c) Total price to be paid to producers	\$0.86*
d) Minimum cost and profit margin for Processors (including the contribution to pasteurized milk agents)	\$0.642
e) Maximum cost and profit margin for Processors (including the contribution to pasteurized milk agents)	\$0.731
f) Compensation for Retailers.	\$0.10
g) Contribution to Regulatory Programs:	
1. Audit and regulatory activities program	\$0.005
2. Regulatory Accrual	\$0.031**
h) Set price per quart of "UHT" milk to be paid by distributors and importers to processors	\$ 1.72
i) Set price per quart of "UHT" milk to be paid by retailers to distributors and importers	\$1.85
j) Set price per quart of "UHT" milk at the retail level	\$1.985***

*Includes quality incentive program.

** Any surplus caused by price round offs will be put in the Regulatory Accrual.
These contributions will be reviewed in the next pricing review.

*** Includes the Regulatory Accrual for UHT that will be provisionally paid by the Government of Puerto Rico to the ORIL for its distribution, based on the verified sale volume.



CERTIFIED TRANSLATION

The milk prices set per quart will have an impact on the prices of the following categories and/or packaging:

I – Fresh Milk (Minimum and maximum prices)		<u>Family Size</u>	<u>½ Gallon</u>	<u>Quart</u>
1. Sale of fresh milk to consumers				
a. Home delivery	minimum	\$6.14	\$3.28	\$1.64
	maximum	\$6.47	\$3.45	\$1.73
b. In the processors' storage containers, warehouses, refrigerators, or milk-bars	minimum	\$5.94	\$3.18	\$1.59
	maximum	\$6.27	\$3.35	\$1.68
c. In small grocery stores and café-bars and/or other retailers, including vending machines	minimum	\$6.14	\$3.28	\$1.64
	maximum	\$6.47	\$3.45	\$1.73
2- Sale of fresh milk to small grocery stores and café-bars and/or other retailers delivered to their establishments by processors	minimum	\$5.74	\$3.08	\$1.54
	maximum	\$6.07	\$3.25	\$1.63
3- Sale of fresh milk to restaurants, soda machines, cafés, guesthouses, and cafeterias	minimum	--	--	\$1.64
	maximum	--	--	\$1.73
II – UHT Milk (Set price)		<u>Quart</u>		
1- From processors to distributors and importers		\$1.72		
2- From distributors and importers to retailers		\$1.85		
3- From retailers to consumers		\$1.95		



CERTIFIED TRANSLATION

The milk prices set per quart will have an impact on the prices of the following categories and/or packaging in the Island Municipalities of Vieques and Culebra.

Pasteurized Milk

Packaging	Consumer		Retailer	
	Minimum	Maximum	Minimum	Maximum
Quart (32 oz)	\$1.66	\$1.75	\$1.56	\$1.65
Half Gallon (64 oz)	\$3.32	\$3.49	\$3.12	\$3.29
Family Size (120 oz [sic])	\$6.22	\$6.55	\$5.84	\$6.17
Ultra-Pasteurized Aseptic Milk	\$1.97	--	\$1.87	--

Non-aseptic UHT milk

Price differential for pasteurized milk with equivalent packaging and volume 16%

Any specialized milk with a similar price order will be priced as established under Administrative Order.

Issued today, May 26, 2021.

NOTIFY,

[illegible signature]
Javier A. Lugo Rullán, Esq.
Acting Administrator

Verified and Approved by,

[illegible signature]
Ramón González Beiró
Secretary of Agriculture

[TN: Initials on left margin of each page: JLR]

